

RESOLUTION NO. 74469

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSÉ AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE AMENDMENTS TO THE SMALL CONCESSION AGREEMENT AND THE LEASE OF AIRPORT PREMISES WITH VERIFIED IDENTITY PASS, INC.

WHEREAS, on November 30, 2005, the Director of Aviation (“Director”) entered into a Small Concession Agreement with Verified Identity Pass, Inc. (“VIP”) to provide a Private Sector Registered Traveler Program (“Registered Traveler”) at the Norman Y. Mineta San José International Airport (“Airport”); and

WHEREAS, on November 1, 2006, the Director entered into a Lease of Airport Premises with VIP to provide office space in support of VIP’s operations at the Airport; and

WHEREAS, the Small Concession Agreement and Lease will expire on November 30, 2008; and

WHEREAS, the Small Concession Agreement provides three options to extend the agreement for two years, provided that any extension must be pursuant to an amendment to the agreement, approved by City Council and VIP; and

WHEREAS, the Airport is recommending extension of the Small Concession Agreement without conducting a competitive process; and

WHEREAS, there are currently only two companies that offer complete Registered Traveler Programs and the other company, rtGo, only operates at Reno-Tahoe International Airport; and

WHEREAS, the benefits of VIP, a nationwide provider, continuing as a Registered Traveler at the Airport are a revenue stream from VIP customers from 18 other airports, a company with consumer brand recognition and successful working partnerships that VIP has developed with the Airport and the Transportation Security Administration; and

WHEREAS, the Small Concession Agreement is nonexclusive, which allows opportunities for other companies in the future to provide Registered Traveler services;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSÉ THAT:

The City Manager is hereby authorized to negotiate and execute:

- a. a First Amendment to the Small Concession Agreement with Verified Identity Pass, Inc. to extend the term from December 1, 2008 through November 30, 2010, with projected annual revenue to the City of approximately \$153,000; and
- b. a First Amendment to the Lease of Airport Premises with Verified Identity Pass, Inc. to extend the term from December 1, 2008 through November 30, 2010, with annual lease revenue to the City of \$73,944.96; and

c. a Second Amendment to the Small Concession Agreement with Verified Identity Pass, Inc. to extend the term from December 1, 2010 to November 30, 2012, on the same terms and conditions; and

d. a Second Amendment to the Lease of Airport Premises with Verified Identity Pass, Inc. to extend the term from December 1, 2010 to November 30, 2012, on the same terms and conditions.

ADOPTED this 24th day of June, 2008, by the following vote:

AYES: CAMPOS, CHIRCO, CHU, CORTESE, LICCARDO,
NGUYEN, OLIVERIO, PYLE, WILLIAMS; REED.

NOES: NONE.

ABSENT: CONSTANT.

DISQUALIFIED: NONE.

CHUCK REED
Mayor

ATTEST:

LEE PRICE, MMC
City Clerk